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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/729,984	12/05/2000	Yisroel Lefkowitz	5016-2	8696

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EXAMINER

KEMPER, MELANIE A

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 07/08/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.

09/729,984

Applicant(s)

LEFKOWITZ, YISROEL

Examiner

M Kemper

Art Unit

3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on 09 October 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-63 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-63 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

## Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date 4.5.

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention

incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court

found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, the method steps do not include implemented technology such as instructions executed by a computer. The steps of the method can be carried out by hand.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claim 1 is rejected under 35 U.S.C. 103(a) as being unpatentable over Gould, "Do Buy!" Travel Agent, v.294, n.4, p.88 in view of Korea Times "'Duty-Free' Marketing War Flares up at Airport", 3/16/99.

Gould teaches offering to sell at least one international travel ticket at a price below a current price ("Included are nonstop air transportation from New York to Dubai...this represents a significant savings."); acknowledging the decision to purchase and accepting payment and delivering the ticket to the customer ("Festival" package offered by Africa Travel and MasterCard). Gould does not specifically show simultaneously offering at least one duty free item and advising on delivery of the item.

Korea Times teaches offering a customer a duty free item with a purchase of a minimum amount ("customers who purchase at least \$300 worth of goods...will receive a 10,000 won coupon for its sister duty-free shops."). It would have been obvious to one having ordinary skill in the art at the time of the invention to have offered a duty free item with the sale of the ticket since the incentive of the duty free item would have promoted sales at the duty free Dubai festival. It also would have been obvious to have advised on delivery of the item since this would have been adopted for the intended use of providing directions to the festival and instructions on redeeming the coupon.

5. Claims 1-5, 7-15, 17-27, 29-63 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tagawa, patent number 5,732,398 in view of Business Wire "Air France Corrects and Replaces Previous Announcement", 1/23/96 further in view of Korea Times "'Duty-Free' Marketing War Flares up at Airport", 3/16/99.

Tagawa teaches a method of selling international tickets in combination with duty free items comprising: offering at least one ticket at a price below a then current price (col. 3, lines 25-35, col. 15, lines 55-60); simultaneously offering at least one duty free item (col. 18, lines 20-22); acknowledging the purchase decision and accepting payment (col. 17, lines 25-35); delivering the ticket to the customer (col. 16, lines 10-25); advising the customer of the method of delivery of the duty free item (col. 18, lines 35-40). Tagawa also teaches offering one or more of a plurality of tickets to a variety of destinations (col. 6, lines 6-15); offering one or more of a plurality of duty free items (col. 18, lines 20-22) where the duty free items have differing assigned values as in a catalog; selecting at least one ticket from among a plurality of tickets and selecting at least one duty free item from among the plurality of items (col. 10, lines 60-65, col. 12, lines 30-45, col. 15, lines 25-50, col. 16, lines 40-50, col. 18, lines 25-35); viewing itinerary and pricing information by accessing a web site over a computer network (col. 9, lines 63-65, col. 18, lines 47-60); viewing descriptive information concerning the duty free items by accessing a web site over a network (col. 9, 63-65, col. 18, lines 23-30); making payment for the ticket by providing credit card information (col. 17, lines 25-35, col. 9, lines 18-20); customer providing an address over the computer network (col. 18,

lines 18, lines 35-40). Tagawa does not offer the ticket or the duty free item for at no additional cost with the purchase of the item or the ticket.

Air France teaches offering at least one duty free item at no additional charge with the purchase of a ticket ("passengers purchasing the \$428 fare will also receive...discount voucher good in duty free shops") where the discount voucher has a maximum value associated with the fare. It would have been obvious to one having ordinary skill in the art at the time of the invention to have offered duty free items at no additional charge with the discounted fare of Air France in the system of Tagawa in order to promote sales with the vendors of Tagawa. Alternatively, Korea Times teaches discounted duty free items and offering a travel ticket ("Lotte is hosting a wide variety of promotional events and discount sales programs, giving out free tickets for...round trip ticket to Tokyo"). It also would have been obvious to have offered tickets at no additional charge as in Korea times in order to promote sales of the vendors of Tagawa. It also would have been obvious to have the second predetermined price based on the difference between the first predetermined price and first predetermined amount and increased the second price by an amount by which the first amount exceeds the first price since sales from duty free shops subsidize the ticket fares.

6. Claims 6, 16, 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Tagawa in view of Business Wire "Air France Corrects and Replaces Previous Announcement", 1/23/96 further in view of Korea Times "'Duty-Free' Marketing War Flares up at Airport", 3/16/99 as above, further in view of Ong-Yeoh "Golden Boutique Set to Boost MAS Revenue", Business Times (Malaysia), 8/26/95.




Art Unit: 3622

Ong-Yeoh teaches advising the customer that the duty free items will be delivered to the customer at one of an international port of departure ("pre-order business where passengers can purchase their tickets and duty free items to be delivered at the airport"). It would have been obvious to one having ordinary skill in the art at the time of the invention to have advised the customer of item delivery as in Ong-Yeoh in the system of Tagawa since the item delivery would have been adopted for the intended use of the pre-order business of Tagawa at least where the ticket and item inspection verifies eligibility of the duty free item.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to M Kemper whose telephone number is 703-305-9589. The examiner can normally be reached on M-F (9:00-5:30).

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric W. Stamber can be reached on 703-305-8469. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
M Kemper  
Primary Examiner  
Art Unit 3622

MK